

122 FERC ¶ 61,291
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

March 28, 2008

In Reply Refer To:
Transcontinental Gas Pipe Line
Corporation
Docket No. RP08-251-000

Transcontinental Gas Pipe Line Corporation
2800 Post Oak Boulevard
P.O. Box 1396
Houston, TX 77251-4060

Attention: Charlotte Hutson
Manager, Rates

Reference: Electric Power Adjustment Filing

Dear Ms. Hutson:

1. On February 29, 2008, Transcontinental Gas Pipe Line Corporation (Transco) filed tariff sheets¹ pursuant to section 41 of the General Terms and Conditions (GT&C) of its FERC Gas Tariff, to reflect changes in the Transmission Electric Power (TEP) rates to be effective April 1, 2008. Transco's filing revises the TEP rates to: (1) recover \$15,966,720 of estimated electric costs for compressor stations and gas coolers during the annual period April 1, 2008, through March 31, 2009, and (2) account for an under recovery of \$65,639 reflected in the TEP Deferred Account Balance as of January 31, 2008. The tariff sheets are accepted and suspended, effective April 1, 2008, subject to refund and the outcome of the proceedings in Docket Nos. RP01-245-023, *et al.*
2. Public notice of the filing was issued on March 5, 2008. Interventions and protests were due as provided in section 154.210 of the Commission's regulations. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2007)), all timely filed motions to intervene and any motion to intervene out-of-time filed before the issuance date of this order are granted.

¹ See Appendix.

Granting late intervention at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties. No adverse comments or protests were made.

3. The instant filing has been submitted pursuant to section 41 of Transco's GT&C. The TEP rates are designed to recover Transco's transmission electric power costs for its electric compressor station locations and gas coolers located at compressor station locations. In previous TEP filings Transco included the electric power costs from all of its compressor station locations to calculate system-wide TEP rates.

4. Reserved Issue No. 5 included in Article VII of the April 12, 2002 Stipulation and Agreement in Transco's Docket No. RP01-245 general rate proceeding related to whether the fuel and electric power costs associated with new compression installed for certain incremental projects should be allocated on an incremental basis. In resolving that issue, the Commission held that electric power costs for the Cherokee project must be allocated on an incremental basis,² and the United States Court of Appeals for the district of Columbia Circuit has affirmed that decision.³ On June 29, 2007, in Docket No. RP01-245-023, *et al.*, Transco submitted a compliance filing to implement the Commission's final order on Reserved Issue No. 5. Parties protested Transco's proposed method of allocating the incremental electric power costs for the Cherokee project. As of the date of the instant filing Commission action on Transco's June 29, 2007 filing is still pending.

5. In the instant filing, Transco states that it is not allocating the electric power costs incrementally to the Cherokee project, but is including the incremental power costs within its calculation of its system-wide TEP rates. Transco states that it has done this, because its June 9, 2007 compliance filing is still pending before the Commission. However, in its transmittal letter in this proceeding, Transco states that, depending upon the Commission's action on the June 29 compliance filing, Transco may be required to revise the instant tariff sheets to include incremental TEP rates applicable to Cherokee customers effective April 1, 2008. Transco states that it is therefore providing notice to its Cherokee customers that, subject to Commission authorization, it reserves the right to revise its rates and bill the Cherokee customers' incremental TEP rates effective April 1, 2008 that are higher than the TEP tariff sheets shown on the instant tariff sheets.

² *Transcontinental Gas Pipe Line Corp.*, 106 FERC ¶ 61,299 (2004), *rehearing denied*, 112 FERC ¶ 61,170 (2005).

³ On March 7, 2008, the United States Court of Appeals for the District of Columbia Circuit affirmed the Commission's position requiring Transco to allocate electric power costs incrementally to the Cherokee Project. (*Transcontinental Gas Pipe Line Corp. v. FERC*, No. 06-1286, 2008 U.S. App Lexis 4923 (D.C. Cir. 2008)).

6. Therefore, the Commission will accept and suspend Transco's tariff sheets listed in the Appendix, to be effective April 1, 2008, subject to refund and subject to the outcome Docket Nos. RP01-245-023, *et al.*

By direction of the Commission.

Kimberly D. Bose,
Secretary.

APPENDIX

**Transcontinental Gas Pipe Line Corporation
FERC Gas Tariff
Third Revised Volume No. 1**

**Tariff Sheets Accepted effective April 1, 2008, subject to the outcome of Docket Nos.
RP01-245-023 *et al.*:**

Fifty-Second Revised Sheet No. 27
Sixty-Seventh Revised Sheet No. 28A
Forty-Fifth Revised Sheet No. 28C
Eighteenth Revised Sheet No. 35.01
Forty-Second Revised Sheet No. 35A
Sixty-First Revised Sheet No. 38
Thirty-First Revised Sheet No. 40.01
Twenty-Ninth Revised Sheet No. 40.02
Thirty-Fourth Revised Sheet No. 40C
Thirty-Second Revised Sheet No. 40I
Twenty-Second Revised Sheet No. 40J
Twentieth Revised Sheet No. 40J.01
Thirty-First Revised Sheet No. 40K
Twentieth Revised Sheet No. 40L
Thirteenth Revised Sheet No. 40M
Twelfth Revised Sheet No. 40M.01
Seventh Revised Sheet No. 40N
Sixteenth Revised Sheet No. 40O
Eleventh Revised Sheet No. 40P
Ninth Revised Sheet No. 40P.01
Second Revised Sheet No. 40Q
Twenty-Ninth Revised Sheet No. 42
Seventeenth Revised Sheet No. 45.01
Twenty-Third Revised Sheet No. 45A
Twenty-Eighth Revised Sheet No. 46
Twenty-Eighth Revised Sheet No. 47
Twelfth Revised Sheet No. 54
Seventeenth Revised Sheet No. 61
Thirteenth Revised Sheet No. 61A